Design Sense 46

A MARKETING PUBLICATION OF LIPPINCOTT & MARGULIES

Ici on parle marketing ethnique

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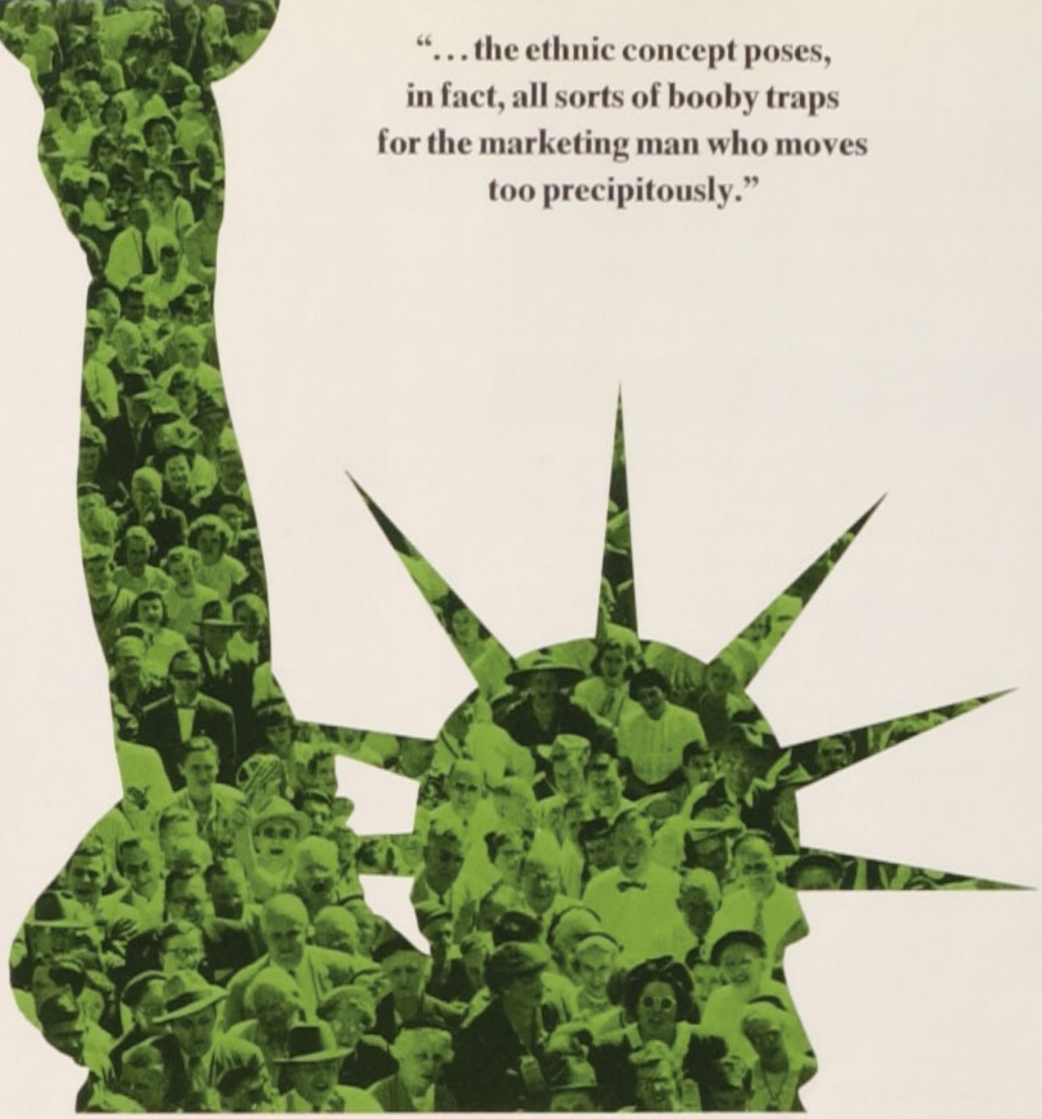
Ethnic Marketing Spoken Here
A vital new lever, forged from mankind's oldest and most fundamental commitments, offers today's marketing man the means of capturing consumer loyalty and extra share-of-market points ..... Page Opposite

The Innovator
He changed the character of retailing by placing merchandise in open bins, selling at fixed low prices, and making all sales cash transactions. Commonplace today, his methods were once considered revolutionary ..... Page Six

Hormel Outfits Its Product with a Vigorous New Look
Intensive research produced a few surprises for the meat packing and food processing firm—surprises that led to a new logotype, packaging, color coordination, plus a stronger communications link to the public ..... Page Eight

"... the ethnic concept poses, in fact, all sorts of booby traps for the marketing man who moves too precipitously."



Ethnic Marketing Spoken Here

ANYONE who gives ethnic marketing more than a passing thought immediately senses a paradox. It arises from this question: How, in an era of mass tastes, mass communications, and mass marketing, can a product's success rest to any degree on the individual quirks and caprices of different small consumer groups? One reasonable answer is that strong appeals to special groups, however small, can produce extra share of market points. And these extra shares, in a fiercely competitive product category, can spell the difference between black ink in a profit-and-loss statement and the red that signals a product's sudden phase-out.

Marketers are all too familiar with how easily some products contract "instant obsolescence"; it's endemic to today's market with new products popping up at a rapid and seemingly inexhaustible rate. This rate, incidentally, was clocked by Lippincott & Margulies' research division at close to fifty new products daily—or about 18,000 a year.

The influx of so many new products fragments the market. And while marketers prefer to think "mass," the marketplace itself resists such thinking. It assumes an increasingly diffuse character and individual products—including many highly respected brands—are forced to fight for strong identity. As a consequence, longer pay-outs and shorter profits are projected for broader product lines. Stated differently: to avoid dropping behind, manufacturers produce more kinds of products and settle for earning less on each.

The variegated character of the market is vividly seen in the average supermarket. Ten years ago, its shelves held up about 4,000 different items for consumer appraisal. That figure has since bounced up to 6,000 and, according to informed opinion, the average supermarket will house 9,000 items ten years from now.

A gambit worth weighing

Marketers must learn to live with these elements—the fragmentation of product categories and the diffusion of competing brands within rising numbers of product categories; they are very much a marketing fact-of-life. Consider for example what has happened to cigarettes. Ten years ago, a major cigarette manufacturer could anticipate a substantial share of market

> **...while most marketers prefer to think 'mass', the marketplace itself, resists such thinking.**

with only one established brand. Today, the same manufacturer may need as many as six brands to garner the same share. Roughly similar conditions apply to most consumer product categories.

Whether marketers like it or not, this escalating pace of productivity and change will remain a central factor in formulating marketing plans for years to come. It poses a formidable challenge not only to producers of new products but to established products as well. In defense of his brands, the alert marketing man now weighs every conceivable marketing gambit. He seeks out any new lever capable of prying loose those critical extra shares. For some, ethnic factors have proven to be one such highly effective lever.

Why should ethnic factors be so productive of sales? Let's examine them.

About 60 years ago, playwright Israel Zangwill pronounced America as "God's crucible, where all the races of Europe are melting and reforming." Sociologists sum-up the immigrant origins of Americans in other words; "ethnic pluralism" they call it. However one labels what we are or where we came from, one thing is plain; ethnic awareness has recently come into sharper focus. And however much one might embrace playwright Zangwill's poetic insights, the melting and reforming process does not obliterate the delicate inheritances of America's tribal communities. The opposite is frequently the case.

In hot pursuit of votes and sales

Ethnic awareness is honed to a sharper edge by a combination of things. One of the more obvious is the continuing civil rights struggle; it causes America's white population—consciously or not—to draw comparisons between Negro assimilation and that of the white's own immigrant forebears.

Another honing force is the sensitivity of politicians to ethnic groups and the emphasis placed thereon while campaigning for office. This cannot pass unnoticed. TV and newspapers faithfully report how a candidate for municipal office pursues votes and indigestion from neighborhood to neighborhood—eating a knish in one, a pizza in another, a tamale in a third, ultimately garnishing dyspepsia with egg-drop soup or sweet-and-sour pork. Guts of copper tubing are prerequisite to a political career today.

As if the subtlety of the politician's ethnic appeal should escape anyone, it is spelled out in magazine articles. Hence we find an article by William V. Shannon in Harper's Magazine (Jan. 1966) reporting that a major problem faced by John Lindsay in New York City's mayoralty race was the location of a qualified running mate. There was no shortage of good administrative talent but Lindsay's man needed other attributes. To balance the ticket, he had to be: a) a Democrat, b) from Brooklyn, and c) Jewish.

As an ingredient for political success, the gambit has proven itself repeatedly. Should it be any less effective for a marketing success? Indeed, the political pollster's Vote Profile Analysis and the market researcher's Consumer Profile offer the same sort of statistical and demographic insight. Both demonstrate precisely who makes what preferences. And the combination of this "who" and "what" may point up the invaluable "why" that constructs a sturdy selling platform—for the politician in search of votes as well as the marketer in pursuit of sales.

New focus for foreign factors

The civil rights struggle and political expediency are but two of the influences that affect ethnic awareness. Equally pertinent is our rapidly shrinking world and our almost off-hand acceptance of international travel today. In a real sense, our ability to know what's happening daily around the world lifts us out of the melting pot to some degree and closer to the land of our forebears. And if a Cape Kennedy space shot fills us with a parochial pride, it also underscores the merely middling size of our planet. The men in the capsule can survey the Earth's entire girth in an hour and a half. By comparison, two months' travel was needed a hundred years ago to substitute the quondam pleasures of the United States' crowded port cities for Ireland's potato famine—or other European problem.

Telstar gives immediacy to a close presidential election in France, a football match in England, a slalom race on Swiss slopes. Motion pictures, in exhibition houses and on TV re-runs, give sheen and glamour to far-off places. As a result, foreign accents relate less to the immigrant parents of the kid down the block (and the sound of a parent's speech to one's own self-conscious ears) than they do to Sophia Loren, Brigitte Bardot and Julie Andrews.

All of these factors give ethnic marketing a double edge. As noted above, they strengthen an awareness of one's ethnic heritage. But they also add lustre to the built-in foreign accent of many consumer products. Who can say for sure how much pizza and ravioli Gina Lollobrigida and Marcello Mastroianni have sold by inadvertence?

To move the ethnic factor into a useful marketing perspective, one might study the 1960 Census' "foreign-

born population" figures. The accompanying table shows the numbers of significant foreign-born groups in eight important markets, along with the percentage of total population each group represents. These percentages add some dimension to the table. One may note for example that the foreign-born Irish in New York City (119,280) exceed those in Boston (38,741) by a three-fold factor. Yet, foreign-born Irish represent 5.5 per cent of Boston's population but comprise only a bit over one per cent of New York's total. Even more significant is the unknown number of native-born Americans who feel a warm tie to such things as Irish whiskey, Polish hams, or English tweeds.

With figures for only eight major markets and a dozen national groups, the table is patently no more than a suggestion of what the Census Bureau may reveal on this subject. The Bureau can provide figures for many smaller markets as well as a head-count—state by state—of many other less significant foreign-born groups. While it is of no concern for a marketer to know that Mississippi had eight foreign-born Portuguese in 1960 and Alaska ten Spaniards, the fact that New York counts 245,068 Russians could be meaningful.

Ethnic appeals to boost one's share of market can hardly claim to be a novel technique; they have always played some part in determining where the consumer will swap dollars for goods and services. A retailer in an area with conspicuous ethnic overtones can often survive only through ethnic appeals. And on the broader canvas of national brand movement, major manufacturers have, in recent years, assiduously wooed the growing affluence of the Negro market with special sales strategies.

Sensitivity to booby traps

For all of its possibilities, however, the ethnic factor requires implementation of the most delicate kind. Handled in its most obvious way, an ethnic approach emerges as the baldest type of racial or religious appeal. This may hold a predictable measure of market value with a core element in each ethnic group but, among members of those "upward mobile" minority groups—such as the middle-class Negro professional, the third generation Jewish entrepreneur, or the suburban Italian-American—ethnic appeals must be conducted with a high order of sensitivity to be effective. The reaction to an appeal will probably vary with the economic standing of the individual within the group plus distance in time from the immigrant forebear.

The ethnic concept poses, in fact, all sorts of booby traps for the marketing man who moves too precipitously. On the other hand, ignoring ethnic markets can

Foreign-born in Eight U.S. Metropolitan Areas

(LATEST BUREAU OF CENSUS FIGURES)

Country of Origin	Boston		Chicago		Cleveland		Detroit		Los Angeles		New York		Philadelphia		San Francisco	
Austria	2,683	.38	20,805	.59	8,274	.94	6,725	.40	12,278	.43	95,631	1.23	9,441	.47	4,431	.40
Canada	83,363	11.96	21,428	.60	7,827	.89	94,027	5.63	83,685	2.96	42,823	.55	8,682	.43	24,322	2.20
Czechoslovakia	573	.08	28,156	.79	16,985	1.94	5,024	.30	6,656	.24	33,756	.43	4,015	.20	1,861	.17
Germany	8,744	1.25	74,120	2.09	16,496	1.88	25,942	1.55	43,056	1.53	199,685	2.57	32,643	1.63	25,052	2.26
Greece	7,787	1.12	14,995	.42	2,212	.25	5,873	.35	4,849	.17	32,250	.41	2,962	.15	4,740	.43
Hungary	1,189	.17	13,645	.38	18,249	2.08	10,790	.65	13,340	.47	52,305	.67	8,549	.43	2,737	.25
Ireland	38,741	5.56	25,795	.73	4,238	.48	4,402	.26	7,321	.26	119,280	1.53	17,745	.89	9,254	.84
Italy	57,718	8.28	61,930	1.74	19,317	2.21	30,794	1.84	31,934	1.13	345,489	4.44	63,570	3.18	34,052	3.08
Poland	12,323	1.77	90,109	2.54	19,437	2.22	49,993	2.99	23,371	.83	188,492	2.42	24,741	1.24	4,450	.40
Sweden	6,526	.94	26,316	.74	1,425	.16	2,875	.17	11,709	.41	17,071	.22	1,632	.08	6,902	.62
United Kingdom	14,728	2.11	18,530	.52	7,613	.87	23,479	1.41	47,250	1.67	58,259	.75	18,441	.92	16,966	1.53
Russia	28,863	4.14	43,705	1.23	11,487	1.31	19,435	1.16	43,544	1.54	222,854	2.86	46,038	2.30	12,399	1.12

■ Percentage of total population

EPIC RECORDS PHOTO

"Race" comedy sharpens awareness of national origins. Comedian Godfrey Cambridge, for example, draws laughter from predominately white audiences and stirs ethnic sensibilities by saying, "You're not going back to Europe and I'm not going back to Africa; we have too much going for us here."

be even more dangerous—as illustrated by a Negro comedian's wry observation on the problems of buying Johnson & Johnson's much-advertised flesh-colored Band-Aids.

Perhaps the most sensible way to approach this subject is to establish a clear understanding of the word ethnic. The dictionary tells us that it is:

> "of or pertaining to a race, races or peoples; specifically pertaining to groups of stocks of mankind as having certain physical, mental or cultural characteristics in common, and usually, but not necessarily living within a given geographical area."

Converting this definition into the language of marketing today, we might phrase it thus:

> "pertaining to a certain side of consumers that derives from their racial, religious, or regional roots."

The operative word in our definition would be that easily-overlooked word "side"—because when we speak ethnic, we are really discussing no more than one facet of the consumer's personality. And only by evaluating the potential significance of the ethnic factor within this narrower framework can it be implemented with any real hope of marketing success.

Every consumer is a complex of different attributes and qualities. He is—variously—imaginative, selfish, idealistic, dull, and dramatic. Other facets to his personality are economic, religious, political, paternal, and masculine. In all cases, he also has an ethnic side—be it dominant or recessive.

Until recently, that ethnic side has either been overplayed or ignored. In today's diffuse, competitive market however, some products benefit significantly by establishing the proper appeals to the ethnic side. Because these appeals usually involve limited geographic applications via regional media, we are often unaware of ethnic campaigns—unless they occur inside our immediate marketing areas. Yet the growth of ethnic marketing today is sufficiently wide and strong to warrant the serious attention of the entire marketing community. A few random examples:

Ehler's, an east coast regional coffee roaster, markets a special blend, Cafe Caribe, for Spanish-speaking markets in certain urban centers.

Hormel, a leading meat packer, markets a complete line of ethnic products, aimed at Italian, Swedish, Irish, Jewish, Polish and German consumers. (Case history on Hormel, begins on page 10 of this issue.)

Karo markets a syrup with greater viscosity than its principal product in areas with heavy concentrations of Pennsylvania Dutch.

Levy's rye bread, a New York product, has broken through the marketing limits of its image as a "Jewish bread" with a campaign that asserts most explicitly: "You don't have to be Jewish to love Levy's." In a sense, this product's ethnic direction was too strong and the producer attempts to overcome it.

Coffee with chicory, a top seller in French-influenced New Orleans, also draws essential market share points from low income Southern whites via radio spot placements on "Grand Ole Opry."

Rheingold, an east coast brewer, abandoned its long established Miss Rheingold campaign (which drew, in its electoral heydey, more votes in a single year in New York State than the number of votes cast for President)—because the growing Negro and Spanish populations could not identify with the fair-skinned Rheingold girls. Rheingold's new campaign is an ethnic tour de force, appealing to every ethnic group in New York's

"

...growing interest in far-off places adds luster to the built-in foreign accent of many consumer products. Who can say for sure how much pizza and ravioli Gina Lollobrigida and Marcello Mastroianni have sold by inadvertence?

"

melting pot via TV with the following formula line:

> "in New York City, where there are more Irish than in all of Dublin, more people drink Rheingold than any other beer."

Slot in Italians/Venice; Greeks/Sparta; Puerto Ricans/San Juan; Germans/Heidelberg; and the broad ethnic applicability of this approach becomes apparent.

Pet evaporated milk continues to accumulate important share points from Mexican-Americans along the southern borders of Texas. A lower income group, such as this, is a traditionally heavy user of evaporated milk.

Food products provide the more likely category for implementing the ethnic factor. This is understandable; attitudes toward food products derive from the deep roots of early upbringing and ancestral habit patterns. For this reason, the food marketer, in particular, might wisely explore the potential of ethnic factors. The following five questions provide practical guidelines to determine the presence and/or potential of an ethnic factor in a food firm's marketing equation:

1. Does my geographical distribution cover significant enclaves of ethnic-oriented consumers?
2. Does my present product line offer ethnic as well as general brands?
3. Should I restructure my product line to include ethnic-oriented products?
4. Have I any ethnic-oriented product leaders that should receive special marketing emphasis to help expand distribution of general-appeal products in present markets?
5. Can ethnic-oriented products help me expand the distribution of the rest of my line to new markets?

In this controlled context, the ethnic factor begins to assume proper emphasis in the marketing equation. Moreover, this kind of balanced approach can work for the national brand manufacturer as well as for the smaller, more regional operation.

While food is the obvious category for implementing the ethnic factor, many non-food items fall within the potential influence of this marketing ingredient. Consider, for example, these two unrelated marketing phenomena that derive from ethnic influences:

While the Negro community in the United States totals 11% of the population, the average Negro consumer buys 2.3 pairs of shoes a year, compared to 1.3 pair for the average white consumer.

Drug store sales of St. Joseph's aspirin for children runs a formidable race against Bayer aspirin for children in urban centers with heavy Catholic concentrations. One can infer with some accuracy that the name St. Joseph's has an effect on the Catholic consumer. Another way of viewing this: Catholics have more children—the increase of the Catholic population is more than double that of the U.S. as a whole—and therefore buy more aspirin for children. This alternative explanation points up the fact that generalizations about ethnic approaches can lead marketers astray.

"...ten years ago, a major cigarette manufacturer could anticipate a substantial share of market with only one established brand. Today, he may need as many as six brands to garner the same share."

Many other non-food categories are affected by the ethnic factor. To determine the extent of its influence, the non-food marketer should begin by clearly recognizing the possibility that such a marketing factor does indeed exist... and by recognizing that his customers may have more of an ethnic side than he might ever have assumed in the past.

New rhythm for winds of change

Until the last five years, the ethnic factor was concealed beneath the surface of most marketing formulas. It was an intuitive component in the marketing mix—buttressed by the field experiences of veteran salesmen, and occasionally validated in the choice of specialized advertising media.

But an additional tool is now available to the marketing man to help him assess the depth and potential of the ethnic factor: the research-documented consumer profile. Mix these in the proper amounts—market intuition and market research—and today's marketing man will have in his hands a vital new lever, forged out of mankind's oldest and most fundamental commitments, to capture those extra shares of consumer loyalty for his new or established product.

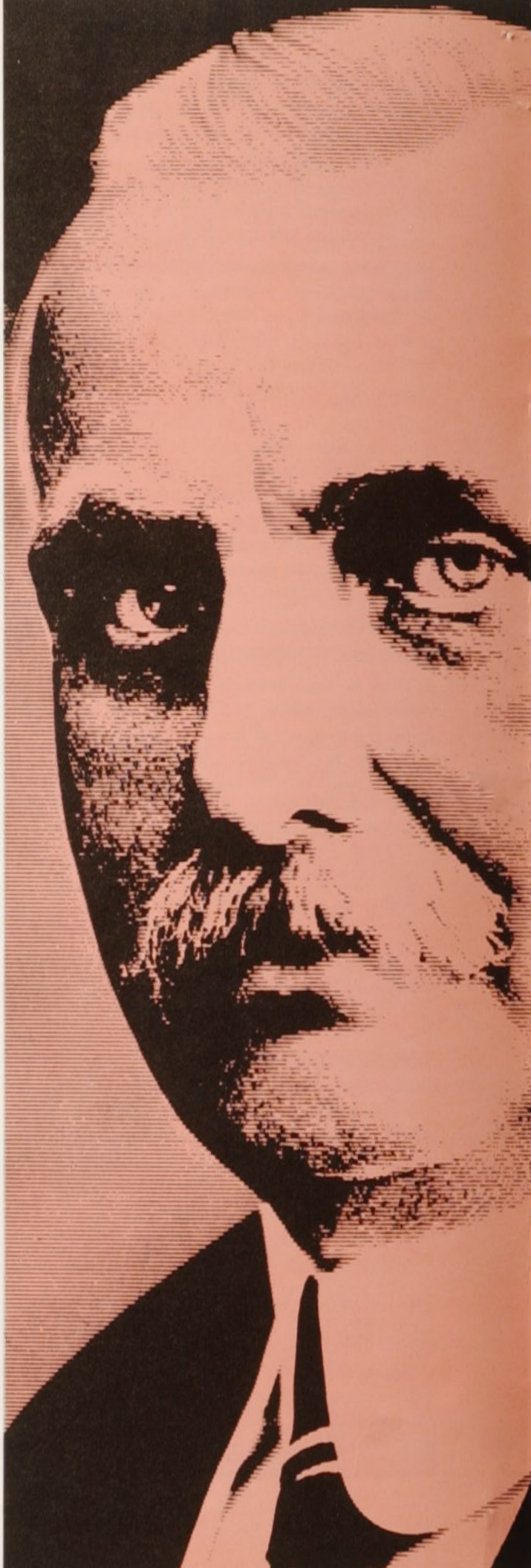
We live in a vastly different marketing nation from the United States of 1900—even of 1960. In the short space of five years our country has moved into an era of spiraling numbers: in population, in communication, in product development. Struck by these swiftly moving winds of change, the practical marketing man has incorporated this rhythm of change into the pace of his own marketing strategy.

The ethnic factor can be part of this new rhythm of change. It may also be ignored by the marketing man—to the peril of his product's market share. But if he includes the ethnic factor in a strategy for modern marketing, it could make a difference. The difference could be small—but very small differences have very large implications in today's marketplace.

In publishing Design Sense, Lippincott & Margulies, Inc. recognizes an opportunity to celebrate in print those whose unique achievements represent milestones in marketing's history. Some "innovators" are largely unknown and unsung. Others, like the man featured here, may be legendary — but their significant contribution to marketing is often overshadowed by the scope and magnitude of their total accomplishments. It may also be obscured by the almost inevitable and rapid multiplication of imitators. Consequently, today's marketers may not know the depth of their indebtedness to the innovator. With this first of a series, we hopefully begin to correct possible oversights.

The Innovator:

He laid the foundation for the modern variety chain with its open display and its "see-touch-examine" mode of retailing.



The unique adventure of shopping has taken many forms in the last century. It has passed from the quaintness of the village store to the bewildering magnitude of modern supermarketing.

Behind every major step in this evolution was a man with an idea. F. W. Woolworth was such a man.

The year was 1875. The young Woolworth was a general handyman and part-time clerk in the leading store in Watertown, New York. But his position was no obstacle to astute thinking. And when he saw that some items were not selling well he persuaded his employer to group them together on a "5¢ counter" where people could examine and handle and become personally involved in them.

The technique was an instant success. And from this success sprang three dominant forces in contemporary retailing: The "5 & 10 cent" store; the open and accessible product display; and later, the departmentalization typical of the Woolworth chain.

Before he died, in 1919, Woolworth had built an empire on these ideas, and he had built the tallest office building in the world on the money that that empire brought in.

Frank Winfield Woolworth paid for his building in cash. It was the first building to have its own power plant. The marble for its lobby had been quarried on the Isle of Skyros, off Greece. People said that the building was built on nickels and dimes, and it literally was. Thirteen-million dollars of them. "They'll fall all over themselves to be able to say that their offices are in the tallest building on earth," he said. They did.

At the end of 40 years of pioneering work in retailing Woolworth had planted his symbol, a "W" in a diamond, in every state in the nation, in Canada, in Great Britain, and in Ireland.

A company brochure, printed long after his death, told how he did it.

"First, all merchandise was to be sold at one fixed price. This required a new method of buying. Goods had to be purchased within certain ranges of cost in order to be sold at a fixed price and yield an average profit.

"Second, all merchandise was arranged on the counter so that the purchaser could see and handle everything. This radical departure from the customary method of displaying goods was the greatest innovation of all... The people were not accustomed to being invited to handle and 'see for themselves.' They came, they saw, they handled and they bought—usually much more than they intended purchasing when they entered the store. 'Look around and see what we are selling for five cents,' the sales girls were taught to say to the customers.

"Third, it was a spot cash transaction. This also was unusual during the early years of the business. Purchasers could scarcely request credit for a few nickels' and dimes' worth of goods."

As soon as he was able to, Woolworth gave up running stores—he had several by this time—and devoted himself to buying. He bought direct from manufacturers. He bought direct from factory distributors. He bought canceled orders and broken lines. He wanted to keep his five-cent retail price—he had not yet gone to ten—and he wanted variety. He got both. By 1886, he was operating out of a buying office in New York.

He wrote to every manager of every store, every day, to report on what merchandise was available to them to sell. His letters became known as the General Letters. One, written in 1889, was particularly significant. It began: "I have had under consideration for some time the formation of a stock company..."

He was an innovator through and through. The year after he wrote this letter, he began paying his employees on the basis of merit. In 1895, the year he opened his first "big-city" store, in Brooklyn, he instituted paid vacations. In 1897 came the first Christmas bonuses. In 1900 he threw away cable conveyors and put cash registers in all his stores.

In 1905, the stock company became a reality, and F. W. Woolworth & Co. became the F. W. Woolworth Co. Practically every man Woolworth took in as a partner had owned his own store in a Woolworth city. One of them had even been a former employer.

The relationship with the old employer, William H. Moore, went back almost to the very beginning. Woolworth had worked for Moore in Watertown after Moore became a partner in the city's leading store, Augsbury & Smith.

They still talk about a conversation that took place between Woolworth and Augsbury on Woolworth's first day. "Bub," said Augsbury, "don't they wear collars in your neighborhood?" Woolworth: "No." Augsbury: "Is this old flannel shirt the best you have to wear?" Woolworth: "Yes, sir." Augsbury: "Well, you'd better go out and get a white shirt and collar and a tie before you begin to work."

Today, the Woolworth chain sells shirts and ties. And the way they're sold still reflects the ideas and the vision of one of the greatest marketing innovators of all time.

Hormel Outfits Its Product with a Vigorous New Look

Dinty Moore Stew. Spam. Mary Kitchen Hash. Little Sizzler Sausage. Famous Foods of the World. Range Brand Bacon. So runs a partial list of brands and but a tiny fraction of the several hundred different food products that spark more than $400-million dollars of business annually for Geo. A. Hormel & Co., Minnesota meat packer and food processor. Is Hormel a large-sized company? The question is patently absurd. But yet, broad-spectrum, in-depth interviews of shoppers and housewives turned up the anomaly that most people regarded Hormel as a small company. And despite the breadth of Hormel's product output, the interviewees believed the food firm produced two, three, or at most, six items. In short, the public's idea of Hormel was as distant from actuality as the Wright brothers' plane from a Boeing 707.

To say that something was amiss plainly understates the case. The symptoms pointed to a fraying of the firm's marketing communications—the generic cloak that surrounds the frequently frail but definable mixture of corporate identification, product branding, advertising, point-of-purchase materials, company logotype wherever used, and other elements. All impinge upon the consumer's awareness and, for better or worse, affect a product line's sales performance.

How do marketing communications erode? More importantly, how can communications be repaired most

efficiently. In this context, Hormel's experience merits close inspection. At the outset, it bears remembering that marketing, almost by definition, is dynamic—constantly changing, shifting, expanding, probing, reforming, contracting, never at rest. Communications must change apace and, therefore, require continuing effort and periodic reevaluation.

Hormel's 75-year history typifies such dynamic growth. In the beginning, the sign outside its Austin, Minnesota headquarters read "Pork Packers—curers of fine Hams and Bacon." Explicit. Accurate. But even before the turn of the century, the designation no longer pertained; beef and lamb were added to the line and distribution extended to cover a larger marketing area. Hormel's business grew rapidly in the next quarter-century. By 1923, more than a third of its sales were to the export market. And in the thirties, the addition of canned chicken, onion soup, stew, and the world-famous Spam changed the characteristics of the company even more. Understandably, some people may have continued to think of Hormel as "pork packers"; the public's perception and understanding of the firm's name could hardly keep pace with its continued diversification and growth. Is it important for a consumer to be aware of a company's size? Manifestly so. The housewife or shopper tends to associate "bigness" with "goodness"; the small company image therefore cast a negative shadow over Hormel's marketing effort.

Objectives, research, analysis, action

In 1963, Hormel, through Lippincott & Margulies, undertook a research program to analyze its corporate image and examine the prospect of becoming a more diversified food company rather than, ostensibly, a meat company. As Hormel's management initially stated the case, "We seek, in a long range program of packaging and advertising, to extend our acceptance by the consumer to an ever-broadening range of food products. Through the Hormel endorsement, these can be effectively marketed with a relatively low advertising expenditure."

The immediate objectives of the research were to: 1) Define Hormel's image as the consumer perceived it, 2) Determine the value of the Hormel name to non-corporate brands (Spam, Dinty Moore, Mary Kitchen, etc.) and, 3) Obtain some indication of Hormel's potential as a food company, as an extension of their marketing efforts as a meat company.

Phase One of the research consisted of a series of in-depth interviews. Analysis of the results formed the basis for a Phase Two investigation. The second phase used a more detailed survey questionnaire and involved 500 structured interviews in ten key metropolitan markets. This study explored in detail, a) the corporate image of Hormel against those of its major competitors, and, b) the images of major Hormel brands as held by the consumer.

The survey findings showed that Hormel had a relatively positive image among respondents who knew the company first-hand. But the majority of consumers had less knowledge of what Hormel actually was as compared to competition—and rated Hormel as much smaller. This lack of knowledge about Hormel resulted in lower ratings on other characteristics (size, quality, modernity, variety, and value). In addition, few consumers linked Hormel with its several brands.

Relief from the agony of choice

This detailed study formed the basis for Lippincott & Margulies' recommendation that Hormel take steps to improve and expand its corporate image and upgrade its corporate communications. The objective: have the consumer recognize Hormel as a large, dependable, modern, growing company, marketing a wide variety of products.

Hormel thereupon asked Lippincott & Margulies to develop a symbol for use as a corporate signature as well as a brand endorsement. With over 6,000 consumer products fighting for recognition in the average supermarket and brand name merchandising becoming prohibitively costly, Hormel management saw the value of "corporate merchandising." They sought to provide a blanket endorsement for all Hormel products and thereby make their advertising and promotion dollars work harder. To state the case from another viewpoint, a strong corporate endorsement gives the consumer confidence in making a decision, when faced with an agony of choice. A "family" of products reinforce each other through mutual endorsement.

Not unexpectedly, the L&M design team found no unifying theme and a negligible "family" resemblance among Hormel products. The packages employed a wide variety of lettering styles, unrelated color schemes, and an assortment of logo treatments. The design program began with a logotype exploration. The existing Hormel logotype was found to have some equities worth retaining: It was friendly and relatively believable, yet it lacked imagination, crispness and uniqueness. L&M knew that consistent use of a meaningful endorsement would rapidly build point-of-sale recognition. Primarily, a corporate logo is a visual device used to identify a company's products. Through repetition, it becomes a "short-hand" symbol that the viewer associates instantly—and indelibly—with a specific corporation or brand. A good trademark is a statement of quality as well as a memory trigger and should reflect the company's distinct personality.

L&M designers worked up hundreds of sketches of letter styles and symbols, including such devices as sunbursts (to suggest growth and freshness), ribbons and diagonal bands (for first place or top quality), check marks (for approval), and Western cattle brands. These logotype treatments were subsequently sifted

Cultivation of a firm's image is a continuing process. Here, L&M, ad agency, and Hormel executives review progress and map new efforts.

New and old Little Sizzler packages illustrate how crisp, modern graphics can amplify visual impact with no increase in package size.

The Hormel endorsement and concept of a "family" of products gains full expression through the use of a strong, flexible logotype.

and evaluated. From the exploratory sketches, L&M picked six final contenders as worthy of further consideration. To accurately evaluate the potential and versatility of each logo under various supermarket conditions sample packages were made up and placed side-by-side with competitive brands. A strong logo —used in conjunction with a modular brand-mark— was found to have the most memorable impact and became the recommended design.

The language of the logotype

The new Hormel logotype retains some resemblance to its predecessor in that it's friendly, informal, and believable. Yet it also possesses uniqueness, crispness, and a modern flourish that says "we're the same reliable company but we have progressive ideas." Central to this system is a modular element containing the word "Hormel" in a unique letterform. Above and below the logotype are modules on which stylized parsley sprigs are centered horizontally. The parsley connotes both fine food garnish and freshness.

The basic elements in the new identification system were established on film and set photomechanically to assure accuracy and eliminate human error. This includes a hand lettered alphabet (based on the letterforms in the logotype) which was designed for use on all product names. The photomechanical process also accelerates the production aspects of redesigning Hormel's entire package line.

The more corporate-oriented areas of application, e.g., ad signatures, letterheads, invoices and bill forms, etc., drop the use of the module and the stylized parsley sprigs are repositioned at either end of the logotype. Where appropriate as an endorsing element, the line "Fine Food Products" is placed below the logo.

In packaging application, the L&M design staff worked closely with Hormel Executive V.P.—now President— M. B. Thompson and Vice President Richard Arney. Jointly, they created a Color Identification System to maintain a "family" resemblance and simultaneously help the consumer to differentiate between variations in similar type Hormel products.

The product line was broken down into three groupings, each with special color identification: 1) Primary (black/red/green) for use on top quality products, 2) Secondary (red/blue/green) for products less active in sales, and, 3) Tertiary (brown/red/green) for specialized products with unique appeal.

A special "ethnic category" was also established. Many popular Hormel products have definite ethnic overtones—such as Genoa Salami, pepperoni, pizza sausage, hard salami, etc. The individual ethnic products groups were assigned their own color systems. The strong Hormel family relationship is maintained with a constant red logotype supported by the modular

ABCDEF
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Z % (:) &
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lmnopqrs
vwxyz
12345678

The Hormel alphabet extends recognition and identification from the logotype throughout product names and design panels in all Hormel packaging.

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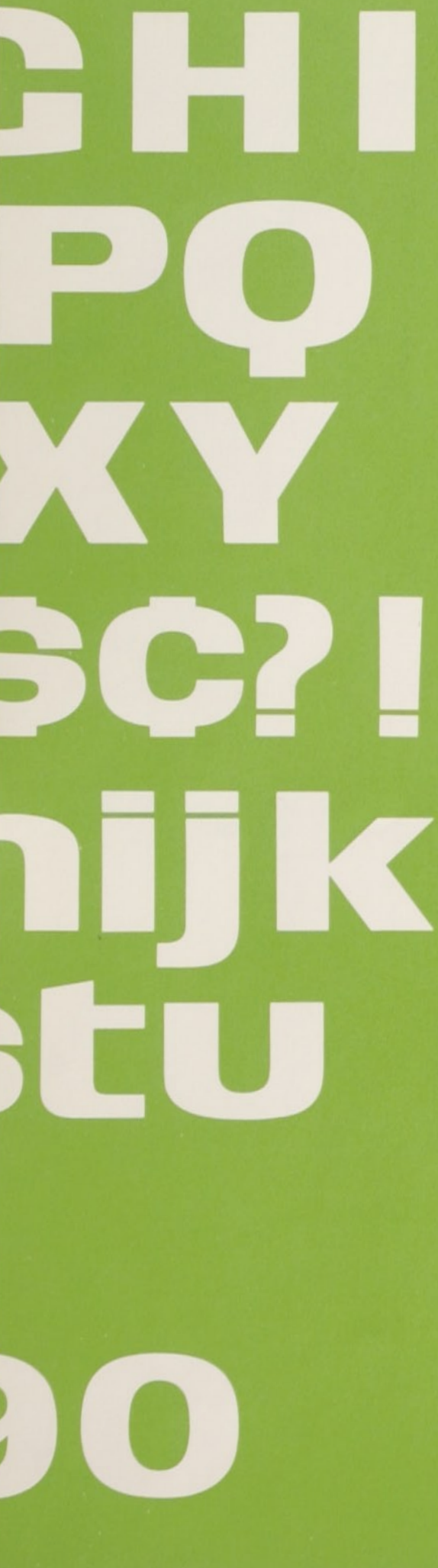

structure in the colors of the ethnic group (Italian, German, Polish, Swedish, Jewish, and Irish). For added authenticity, a stylized symbol derived from the country's heritage conveys the image of an "old world favorite" to the package. The system's flexibility affords a similar appearance for each despite variations in shapes, proportions, colors, or quality grade.

Impact on an environment

The first group of packages that the L&M design team tackled were for the Hormel bacon line. The design of any package must consider the "environment" it must live in; packages can't be successfully designed "out of context." The manufacturers' need to stand out and create impact on the highly competitive mass display shelves imposes a marketing objective on the designer. He must design and choose color for shelf impact. In mass display, color is a key factor in identification. Color selection, like any other area of creativity, requires original exploration in context with specific products and situations rather than by application of arbitrary formulae. For example, field research showed that virtually every major manufacturer of bacon featured a package that was either red or yellow, or a combination of the two. The supermarket bacon case was a sea of sameness with one brand blending into the next. Since a break with established patterns will sometimes assure success, the rejection of the prevailing red/yellow syndrome in the bacon case was the first step toward redesigning a unique Hormel package.

One of the Hormel bacons, Range Brand Bacon, offered unusual design possibilities. Originally, the package showed a rather prosaic cowboy on a horse, twirling a lasso. The redesigned Range Brand package now has high impact and recognition value among the "me too" reds and yellows of the bacon case. And the use of the modular logo gives the package the essential family resemblance to every other Hormel product on display in the store.

Hormel Chairman R. F. Gray summed up the program in saying, "A vital factor in the continuing growth of the George A. Hormel Company is that of improving the effectiveness of our visual communications to the consuming public."

By moving more of its products under a unifying, recognizable corporate "umbrella," Hormel is establishing a stronger image for itself and gets additional value from its advertising dollars. And it is reestablishing its communications link to the marketplace.

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